

2025 -- H 5962

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO TOWNS AND CITIES -- INDEBTEDNESS OF TOWNS AND CITIES

Introduced By: Representatives Santucci, Fascia, Nardone, Solomon, Place,
Chippendale, Newberry, Quattrocchi, and Paplauskas
Date Introduced: February 28, 2025

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-12-22.4 of the General Laws in Chapter 45-12 entitled
2 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

3 **45-12-22.4. Deficit, pension and other post-employment benefit financing — Approval**
4 **required.**

5 (a) Except as provided in chapter 9 of this title, no municipality shall sell a long-term bond
6 in order to fund a deficit or to fund pension obligations or other post-employment benefits without
7 prior approval by the state auditor general and director of the state department of revenue.

8 (1) Any municipality or quasi-public agency that has not made its annual contribution to
9 its other post-employment benefits trust or if the trust is less than thirty-five percent (35%) funded,
10 shall file an annual report with the department of municipal finance setting forth:

11 (i) A plan to make its trust payment within three (3) years; or

12 (ii) A plan to get the trust funded to at least the thirty-five percent (35%) level within ten
13 (10) years.

14 (b) If any provision of this section or the application thereof shall for any reason be judged
15 invalid, that judgment shall not affect, impair or invalidate the remainder of the law, but shall be
16 confined in its effect to the provisions or application directly involved in the controversy giving
17 rise to the judgment.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would require a municipality or quasi-public agency to file a report with the
2 department of municipal finance if it has not made its payment to its other post-employment
3 benefits trust fund or if it is less than thirty-five percent (35%) funded.

4 This act would take effect upon passage.

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